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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|----------------------|---------------------|------------------|
| 09/834,944 | 04/16/2001 | Naruto Entani | Q64103 | 5344 |
| 7590 | 01/02/2004 | | EXAMINER | |
| SUGHRUE, MION, ZINN, MACPEAK & SEAS 2100 Pennsylvania Avenue, N.W. Washington, DC 20037-3202 | | | GREENE, DANIEL L | |
| | | | ART UNIT | PAPER NUMBER |
| | | | 3621 | |

DATE MAILED: 01/02/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

| | | |
|------------------------------|------------------------------|---------------------|
| Office Action Summary | Application No. | Applicant(s) |
| | 09/834,944 | ENTANI, NARUTOA |
| | Examiner Daniel L. Greene | Art Unit 3621 |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 16 April 2001.
- 2a) This action is **FINAL**. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-15 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 13) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
a) The translation of the foreign language provisional application has been received.
- 14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- | | |
|--|--|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input checked="" type="checkbox"/> Interview Summary (PTO-413) Paper No(s). <u>5</u> . |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

The claims, as presently stated and best understood were considered in light of the new "Examination Guidelines for Computer-Related Inventions" and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

Claim Rejections - 35 USC §101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

Claims 1, and 13, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in the following test of whether the invention is within the technological arts.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the applicant claims a method for a use right sales step and an accounting step. This process might be performed without the aid of any technology and therefore the claimed method is not within the technological arts.

All that is necessary to make a sequence of operational steps in a statutory process within 35 U.S.C. 101 is that it be in the technological arts so as to be in concordance with the Constitutional purpose to promote the progress of "useful arts" *In re Musgrave*, 431 F.2d 882 167 USPQ 280 (CCPA 1970)

A claim is limited to a practical application when the method, as claimed, produces a concrete, tangible and useful result: i.e. the method recites a step or act of producing something that is concrete, tangible and useful. See *AT&T v. Excel Communications Inc.*, 172 F.3d at 1358, 50 USPQ2d 1452.

Claim 2, is dependant on rejected claim 1, and is rejected for at least the same reasons.

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. **Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al. U.S. Patent 5,910,987 [Ginter].**

3.

4. As per claims 1 and 13:

5. Ginter discloses:

a use right sales step by a seller of selling a right of use of literary works to a customer; Col. 54, lines 35-55.

an accounting step of imposing a royalty for the literary works on the customer in accordance with the number of times of use, the hour of use or the amount of use of the literary works by the customer. Col. 56, lines 5-25. Fig. 4.

Ginter discloses the claimed invention except for the specific specifications of the type of usage. i.e. numbers of times of use, the hour of use, the amount of use. However, Ginter does teach about a meter process that is based upon different factors of which one is type of usage charge. It would have been obvious to one having ordinary skill in the art at the time the invention was made to include in the type of usage charge, numbers of times of use, the hour of use, and the amount of use.

As per claim 2:

Ginter further discloses:

wherein the right of use of the literary works is sold in an enciphered state. Col. 65, lines 1-50.

As per claims 3, 6, 9, 14, and 15:

Ginter discloses:

a use right sales step by a seller of selling a right of use of literary works to a customer; Col. 180, lines 19-67.

15 a literary work distribution step by a literary work provider of distributing the literary works to the customer through a communication circuit; Col. 58, lines 13-40.

an accounting step by the seller of imposing a royalty for the literary works on the customer through the communication circuit in accordance with the number of times of use, the hour of use or the amount of use of the literary works by the customer. Fig.

5B

Ginter discloses the claimed invention except for the specific specifications of the type of usage. i.e. numbers of times of use, the hour of use, the amount of use. However, Ginter does teach about a meter process that is based upon different factors of which one is type of usage charge. It would have been obvious to one having ordinary skill in the art at the time the invention was made to include in the type of usage charge, numbers of times of use, the hour of use, and the amount of use.

As per claims 4, 7, and 11:

Ginter further discloses:

wherein the literary works are distributed in an enciphered state. Col. 212, lines 55-67.

As per claims 5, 8, and 10:

wherein the right of use of the literary works is sold in an enciphered state. Col. 212,
lines 55-67.

As per claim 12:

Ginter further discloses:

wherein said customer terminal apparatus includes decipherment means for deciphering the literary works and the right of use of the literary works both received in an enciphered form from said literary work provider terminal apparatus. Cool. 190, lines 1- 55.

Examiner's Note: Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel L. Greene whose telephone number is 703-306-5539. The examiner can normally be reached on M-Thur. 8am-6pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on 703-305-9768. The fax phone number for the organization where this application or proceeding is assigned is 703-305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

11/13/03

DLG